



DATE: August 5, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Cindy Chong, MPA—Superintendent of Parks and Facilities, Parks & Recreation
Chelsea Green – Administrative Manager, Public Works & Utilities (PW&U)
Gina Benedetti-Petnic, PE—Interim Director, PW&U
Brian Cochran, Assistant City Manager

SUBJECT: Public Hearing to Receive Public Comment, Amend the Engineer’s Report as Appropriate and Adopt a Resolution Ordering the Improvements, Confirming the Engineer’s Report, and Levying Annual Assessments for Landscape Assessment Districts for Fiscal Year 24/25

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing to receive public comment, amend the engineer’s report as appropriate, and adopt a Resolution ordering the improvements, confirming the engineer’s report, and levying annual assessments for Landscape Assessment Districts for Fiscal Year 24/25.

BACKGROUND

Each year, as required under Chapter 3 of the Landscape and Lighting Act of 1972 (the Act), commencing with Section 22620 of the Streets and Highways Code, the City Council must initiate a process to set the annual assessments for the Landscape Assessment Districts (LADs) to assure sufficient funds are provided for necessary landscape maintenance. The process requires a public meeting to review and hear testimony regarding the LADs and approve the three subject resolutions contained herein, which occurred on June 3, 2024, and was noticed in accordance with the Streets and Highways Code. Further, a public hearing is required for final approval of the assessments and is scheduled for August 5, 2024. The public hearing on August 5, 2024, will allow the City Council to hear any public comments, confirm or modify the proposed assessments, and approve the Engineer’s Report.

The City has 51 LADs established within city limits, of which 43 are actively paying assessments and receiving services. The LADs feature public landscaped areas, as identified in the conditional tentative map approval before the development of the subdivisions. These

districts were formed to maintain various amenities in common landscaped areas, including medians, islands, frontage strips, pathways, sound walls, fences, and irrigation systems within the specific sub-division. The annual maintenance costs for each of the LADs are spread among all the private parcels within each district and are collected by the County on behalf of the City under their property tax collection process. The City maintains fund balances for each active LAD and manages the expenditures for maintenance and repairs.

DISCUSSION

Each year, as the Act requires, the City Council must conduct a process to set the annual assessments for the LADs to ensure sufficient funds are available to provide landscape maintenance.

On June 3, 2024, City Council took the following steps in accordance with the Act:

- Adopted resolution describing the improvements and ordering the preparation of an engineer's report; and
- Adopted a resolution preliminarily approving the engineer's report, consisting of Exhibits A and B, which summarized fund balances, projected levies, maintenance costs, per parcel assessments, including increases or decreases from the previous year, and expenditure details including the number of parcels per LAD; and
- Adopted a resolution setting a Public Hearing to order the levy and collection of the annual LAD parcel assessments.

Notices for the Public Hearing on August 5, 2024, were published in the Argus-Courier on June 28, 2024. The Public Hearing allows additional public comments to be made and considered, after which the Council may consider adopting a resolution levying the annual assessments. Upon adoption by the Council, the resolution and assessments will be submitted to the Sonoma County Auditor-Controller by the August 10th deadline for the assessments to be added to the 2024-2025 property tax bill that will be sent to property owners in the fall. Payments of the assessments are due with the property tax bills on December 10, 2024, and April 10, 2025.

The annual levies for 32 of the LADs will be increased by the 2% maximum annual increase allowed by the original LAD regulations. There will be no reductions in levies for FY 24/25. The proposed action is necessary to continue funding LAD maintenance and operations for the fiscal year. Despite the 2% annual increase, many of the LADs continue to operate with a budget deficit.

Over the past decade in particular, funds collected through the assessments have not kept pace with costs of providing services. Staff recognize the issues and understand the importance of making necessary improvements to the program to restore LADs as a community benefit. To address these ongoing shortfalls, City staff is working to develop immediate and long-term solutions to improve the financial situation of and services provided to the LADs. This will be a multi-departmental coordination between Parks, Public Works & Utilities, City Management, Communications, Finance, and Legal. Staff is currently exploring contracting with a consultant who specializes in LAD formations to help with an audit of existing LADs, and engaging communities within each LAD with findings and recommendations. Ultimately, the goal will be to present recommendations within each LAD on the level of service desired moving forward. This

will be a multi-year effort to reform the entire program, however we recognize the need to increase the baseline hours of service within each LAD in the immediate short term, so have shifted resources to expand the number of hours the contractor can spend in each LAD for the remainder of 2024.

The PowerPoint presentation that will be discussed alongside this item during the City Council meeting will provide more insight into what the goals and rollout of this effort will entail.

After the hearing, it is recommended that the City Council adopt the resolution setting the annual assessments for the LADs to collect sufficient maintenance and operation funds for the LADs FY 24/25.

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on July 15, 2024, which was a publicly noticed meeting.

In compliance with Streets and Highways Code Section 22626(a), a Notice of Public Hearing was published in the local paper on June 28, 2024. As part of the scheduled City Council meeting, this Hearing will consider all oral or written protests made or filed by any interested person. It will consider and act upon the Engineer's Report for the districts.

COUNCIL GOAL ALIGNMENT

The City Council has identified “Environmental Legacy” as one of its key strategic initiatives for 2021 – 2023. Workplan Item #63 seeks to “Reimagine maintenance practices for managing City parks and open spaces.” That includes maintaining outdoor spaces, such as LADs, in a more sustainable way that is better for the environment, the community, and the health of the public and staff.

Workplan Item #196 seeks to “Update the City's Integrated Pest Management Plan and formalize a policy of how the City maintains its parks, trails, open spaces, streetscape, creeks, landscape assessment districts, and other City’s properties in a more sustainable way that is better for the environment, the community, and the health of the public and staff.” The City has recently implemented a new integrated pest management program that moves to organic methodologies for all LADs.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

A review of landscaping and vegetation within the LADs will occur to allow for more drought-tolerant vegetation that also helps reduce water use. City staff are working on a plan to implement organic methodologies in weed abatement. Irrigation systems are monitored for water conservation and landscape health. In addition, mulching is utilized to retain moisture in the soil instead of allowing for evaporation.

ENVIRONMENTAL REVIEW

The environmental analysis for compliance with the California Environmental Quality Act (CEQA) was completed with the formation of each LAD. Landscaping and lighting district assessments are exempt from the California Environmental Quality Act (CEQA) under Guidelines Section 15378(b)(4) because government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment is not considered a project. Any work performed with the assessed funds is categorically exempt under California Environmental Quality Act (“CEQA”) Guidelines, Sections 15301 (Existing Facilities) and 15304 (Minor Alterations to Land), as any improvements will occur within areas previously disturbed. There is negligible or no expansion of use beyond what currently exists. No cumulative impacts, unusual circumstances, or other factors would make the exemption inapplicable pursuant to CEQA Guidelines section 15300.2.

FINANCIAL IMPACTS

The proposed action is necessary to place charges on the tax roll by August 10, 2024, which will fund LAD maintenance and operations for the fiscal year.

Several LADs have unfavorable future financial projections. Staff will continue to work to bring on a consultant to review the LADs’ scope and needs for a more accurate financial baseline for maintenance needs. Financial projections for future years are anticipated to continue showing the level of service as unsustainable, requiring further measures to address the funding shortfalls. Outreach to the residents within each LAD will be an essential part of these initiatives.

ALTERNATIVES

Should the LAD assessments not be renewed for this fiscal year, the City would need to fund these maintenance activities, or services would need to be suspended or substantially reduced.

ATTACHMENTS

1. Resolution with No Recusals with Exhibits A & B (Engineer’s Report)
2. Resolution with Councilmember Barnacle Recusal with Exhibits A & B (Engineer’s Report)
3. Resolution with Mayor McDonnell Recusal with Exhibits A & B (Engineer’s Report)
4. Resolution with Vice Mayor Shribbs Recusal with Exhibits A & B (Engineer’s Report)
5. Memo to Petaluma City Council Listing LADs within 500 feet and 1000 feet of Councilmembers’ properties.
6. PowerPoint Presentation – **Published Thursday, August 1, 2024.**